

BANK INDONESIA

BANK INDONESIA REGULATION

NUMBER 17/18/PBI/2015

CONCERNING

BANK INDONESIA OPERATED SYSTEMS FOR MANAGEMENT OF
TRANSACTIONS, ADMINISTRATIONS OF SECURITIES, AND REAL-TIME FUND
SETTLEMENT

WITH THE BLESSINGS OF GOD THE ALMIGHTY,

GOVERNOR OF BANK INDONESIA,

Considering : a. that to strengthen the infrastructure of payment system and financial system operated by Bank Indonesia, it is necessary to develop a system, which may support the operation of transactions, administration of securities, and real-time fund settlement.

b. that development of a system, which may support the operation of transactions, administration of securities, and real-time fund settlement, is made through the implementation of Sistem Bank Indonesia-Electronic Trading Platform, Bank Indonesia-Scripless Securities Settlement System, and Sistem Bank Indonesia-Real Time Gross Settlement, which are integrated to ensure more safety and efficiency;

c. that the operation of integrated Sistem Bank Indonesia-Electronic Trading Platform, Bank Indonesia-Scripless Securities Settlement System, and Sistem Bank Indonesia-Real Time Gross Settlement are conducted by considering the international principles;

- d. that based on the considerations in letters a, b, and c, it is necessary to establish Bank Indonesia Regulation concerning Management of Transactions, Administration of Securities, and Real-Time Fund settlement;

Observing : 1. Law Number 23 of 1999 on Bank Indonesia (State Gazette of the Republic of Indonesia of 1999 Number 66, Supplement to State Gazette of the Republic of Indonesia Number 3843) as last amended by Law Number 6 of 2009 on Establishment of Government Regulation in Lieu of Law Number 2 of 2008 on the Second Amendment to Law Number 23 of 1999 on Bank Indonesia as a Law (State Gazette of the Republic of Indonesia of 2009 Number 7, Supplement to State Gazette of the Republic of Indonesia Number 4962);

2. Law Number 24 of 2002 on Government Bonds (State Gazette of the Republic of Indonesia of 2002 Number 110, Supplement to State Gazette of the Republic of Indonesia Number 4236);

3. Law Number 19 of 2008 on Government Sharia Securities (State Gazette of the Republic of Indonesia of 2008 Number 70, Supplement to State Gazette of the Republic of Indonesia Number 4852);

4. Law Number 3 of 2011 on Fund Transfers (State Gazette of the Republic of Indonesia of 2011 Number 39, Supplement to State Gazette of the Republic of Indonesia Number 5204);

HAS DECREED:

To Enact : BANK INDONESIA REGULATION CONCERNING BANK
INDONESIA OPERATED SYSTEMS FOR MANAGEMENT OF
TRANSACTIONS, ADMINISTRATION OF SECURITIES, AND REAL-
TIME FUND SETTLEMENT

CHAPTER I GENERAL PROVISIONS

Article 1

In this Bank Indonesia Regulation:

1. Operator means Bank Indonesia which operates a system for Transactions, Administration of Securities, and Real-Time Fund settlement.
2. Transaction means any Transactions with Bank Indonesia and Financial Market Transactions.
3. Transaction with Bank Indonesia means any transactions initiated by Bank Indonesia for monetary operations, sharia monetary operations, and/or transactions of Government Bonds for and on behalf of the Government, as well as other transactions with Bank Indonesia.
4. Financial Market Transaction means any Securities transactions and lending-borrowing transactions in a conventional manner, or equalized under sharia principles for money market transactions and/or Securities transactions in secondary markets.
5. Administration means any activities including recording of ownership, clearing and settlement, and coupon/interest/reward payment, and principal/nominal payment of the Securities and non-Securities transactions.

6. Settlement means the final settlement process of financial transactions by debit and credit of Fund Settlement Accounts, Securities Accounts, and/or other accounts in Bank Indonesia.
7. Sistem Bank Indonesia-Electronic Trading Platform (Bank Indonesia-Electronic Trading Platform System), hereinafter referred to as Sistem BI-ETP, is an infrastructure used as means of electronic Transactions.
8. Bank Indonesia-Scripless Securities Settlement System, hereinafter referred to as BI-SSSS, is an infrastructure used as means of Transaction Administration and Administration of Securities conducted electronically.
9. Sistem Bank Indonesia-Real Time Gross Settlement (Bank Indonesia-Real Time Gross Settlement System), hereinafter referred to as Sistem BI-RTGS, is an infrastructure used as means of electronic Fund Transfer which settlement is conducted on transaction-by-transaction basis in real-time.
10. Participant means any parties who have fulfilled the requirements and obtained the approval of the Operator as participants in the operation of Sistem BI-ETP, BI-SSSS, and/or Sistem BI-RTGS.
11. Central Registry means Bank Indonesia conduct an Administration function for the interests of BI-SSSS Participants.
12. Sub-Registry means Bank Indonesia and any parties who have fulfilled the requirements and approved by the Operator as BI-SSSS Participants to conduct an administration function for the interest of customers.
13. Intraday Liquidity Facility, hereinafter referred to as FLI, means a liquidity facility provided by Bank Indonesia to Sistem BI-RTGS Participating Bank in a conventional manner or under sharia principles in order to resolve intraday liquidity mismatch encountered during BI-RTGS operational hours and/or in the Settlement of multilateral

net position as the result of the calculation in Sistem Kliring Nasional Bank Indonesia (Bank Indonesia National Clearing System).

14. Fund Settlement Account means BI-RTGS Participant's account in Rupiah and/or any foreign currencies administered in Bank Indonesia for Fund Settlement.
15. Securities Account means BI-SSSS Participant's account in Rupiah and/or foreign currencies administered in Bank Indonesia in order to record the ownership and Settlements of Securities Transactions, Transactions with Bank Indonesia, and/or Financial Market Transactions.
16. Securities means securities issued by Bank Indonesia, Government, and/or any other institutions and administered on BI-SSSS.
17. Government Securities (Surat Berharga Negara), hereinafter referred to as SBN, mean Government Bonds and Government Sharia Securities.
18. Government Bond (Surat Utang Negara), hereinafter referred to as SUN, means Securities in the form of debt acknowledgment paper in Rupiah or any foreign currencies which interest and principal payment is guaranteed by the Republic of Indonesia, according to the validity period.
19. The Sovereign Syariah Securities, hereinafter referred to as SBSN, or Sovereign Sukuk, or the Sovereign Securities issued based on syariah principles, as evidence of the participation in SBSN assets, issued both in Indonesian Rupiah and foreign currencies.
20. Bank means Commercial Banks as specified in the Law on banks, including the branch offices of banks overseas and Sharia Banks including Sharia Business Units as specified in the Law on sharia banks.
21. Unforeseeable Condition means a situation or condition occurring due to any failure of or damage to hardware, software, communication network, application, or supporting

facilities affecting smooth operation of BI-ETP System, BI-SSSS, and/or Sistem BI-RTGS.

22. Emergency means any condition occurring beyond the control of the Operator and/or Participants resulting in non-operation of BI-ETP System, BI-SSSS, and/or Sistem BI-RTGS due to, but not limited to, fire, riots, sabotage, and natural disasters, such as earthquakes and floods, declared by the authority or competent local official, including Bank Indonesia.

Article 2

Transactions, Administration of Securities, and Real-Time Fund settlement are conducted through the following 3 (three) systems:

- a. Sistem BI-ETP;
- b. BI-SSSS; and
- c. Sistem BI-RTGS.

Article 3

- (1) In operating Transactions, Administration of Securities, and Real-Time Fund settlement, the Operator at least conduct the following activities:

- a. establish provisions and procedures for Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS operation;
- b. provide facilities and infrastructures of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS;
- c. conduct operational activities of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS;
- d. make efforts to guarantee the reliability, availability, and safety of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS operation; and

- e. monitor Participant's compliance with this Bank Indonesia Regulation and its implementing regulations.
- (2) Further provisions for the operation set forth in paragraph (1) are specified in Bank Indonesia Circular Letter.

CHAPTER II

PARTICIPATION

Section One

Sistem BI-ETP Participants

Article 4

- (1) Parties which may become Sistem BI-ETP Participants are:
- a. Bank Indonesia;
 - b. Ministry of Finance;
 - c. Indonesia Deposit Insurance Corporation;
 - d. Banks;
 - e. rupiah and foreign currency brokers;
 - f. security companies;
 - g. other institutions approved by the Operator.
- (2) The parties set forth in paragraph (1) shall take the following roles:
- a. Security issuer;
 - b. monetary operation participants or sharia monetary operation participants;
 - c. intermediary institutions in monetary operation or sharia monetary operation activities;

- d. SBN transaction participants in primary markets;
- e. Financial Market Transaction participants; and/or
- f. other roles determined by the Operator.

Article 5

- (1) The parties set forth in Article 4 paragraph (1) may become Sistem BI-ETP Participants upon fulfillment of the requirements and with the approval of the Operator.
- (2) Further provisions for the requirements for Sistem BI-ETP Participants are specified in Bank Indonesia Circular Letter.

Article 6

If a Sistem BI-ETP Participant is a Bank, which carries on its business activities in a conventional manner and also under sharia principles in the form of Sharia Business Unit, then the participation in Sistem BI-ETP for conventional business activities shall be separated from the participation in business activities under sharia principles.

Section Two

BI-SSSS Participants

Article 7

- (1) Parties which may become BI-SSSS Participants are:
 - a. Bank Indonesia;
 - b. Ministry of Finance;
 - c. Banks;

- d. deposit and settlement institutions;
 - e. securities companies; and
 - f. other institutions approved by the Operator.
- (2) The parties set forth in paragraph (1) may serve the following functions:
- a. Securities issuer;
 - b. Securities holders with the Central Registry,
 - c. administration for the interest of customers; and/or
 - d. other functions determined by the Operator.

Article 8

- (1) The parties set forth in Article 7 paragraph (1) may become BI-SSSS Participants upon fulfillment of the requirements and with the approval of the Operator.
- (2) Further provisions for the requirements for BI-SSSS Participants are specified in Bank Indonesia Circular Letter.

Article 9

If a BI-SSSS Participant is a Bank, which conduct its business activities in a conventional manner and also under sharia principles in the form of Sharia Business Unit, then the participation in BI-SSSS for conventional business activities shall be separated from the participation in business activities under sharia principles.

Article 10

The participation of any BI-SSSS Participants with the functions set forth in Article 7 paragraph (2) letters a, b, and/or d and administration function for the interest of customers

set forth in Article 7 paragraph (2) letter c in BI-SSSS operation must be separated from the participation as a Sub-Registry.

Section Three

Sistem BI-RTGS Participants

Article 11

Parties which may become Sistem BI-RTGS Participants are:

- a. Bank Indonesia;
- b. Banks;
- c. clearing operators and/or settlement operators; and
- d. other institutions approved by the Operator.

Article 12

- (1) The parties set forth in Article 11 may become Sistem BI-RTGS Participants upon fulfillment of the requirements and with the approval of the Operator.
- (2) Further provisions for the requirements for Sistem BI-RTGS Participants are specified in Bank Indonesia Circular Letter.

Article 13

If a Sistem BI-RTGS Participant is a Bank, which conduct its business activities in a conventional manner and also under sharia principles in the form of Sharia Business Unit, then the participation in Sistem BI-RTGS for conventional business activities shall be separated from the participation in business activities under sharia principles.

Section Four

Legal Relationship

Article 14

Legal relationship between Participants for the operation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS is specified in this Bank Indonesia Regulation, implementing regulations of this Bank Indonesia Regulation, and agreements between the Operator and Participants.

CHAPTER IV

STATUS AND PARTICIPATION STATUS CHANGE

Section One

Participation Status

Article 15

- (1) In the operation of Sistem BI-ETP, the following 3 (three) participation statuses apply:
 - a. active;
 - b. suspended; or
 - c. closed.
- (2) The suspended participation status set forth in paragraph (1) letter b will not apply to Participants of Sistem BI-ETP, which have the function as Securities issuers.

Article 16

- (1) In the operation of BI-SSSS and Sistem BI-RTGS, the following 4 (four) participation statuses apply:

- a. active;
 - b. suspended;
 - c. frozen; or
 - d. closed.
- (2) Suspended participation status set forth in paragraph (1) letter b and frozen participation status set forth in paragraph (1) letter c will not apply to BI-SSSS Participants, which have the function as Securities issuers and Sub-Registry.

Section Two

Change of Participation Status

Article 17

- (1) The Operator may change the participation statuses set forth in Articles 15 and 16.
- (2) The change of participation status set forth in paragraph (1) is conducted:
- a. for imposition of any administrative sanctions by the Operator;
 - b. at the written request of the party competent in exercising supervision for Participant's activities; and/or
 - c. at the written request of the relevant Participant.
- (3) The written request from the party competent in exercising supervision for Participant activities set forth in paragraph (2) letter b is made under the following considerations:
- a. any breach of the applicable laws and regulations;
 - b. any preventive measures against possible risks detrimental to the Participant's business continuity; and/or
 - c. suspension of the Participant's business activity, business license revocation, bankruptcy decision, and/or liquidation.

- (4) The change of participant status at the Participant's request set forth in paragraph (2) letter c may occur, among others, if a Participant decides a merger, consolidation, separation, self-liquidation approved by the competent authority, and resignation as a Participant.

Article 18

- (1) The change of participant status set forth in Article 17 paragraph (2) letter a and letter b on Sistem BI-ETP may take the following forms:
- a. active into suspended;
 - b. active into closed; or
 - c. suspended into closed.
- (2) The change of participant status set forth in Article 17 paragraph (2) letter a and letter b on BI-SSSS and Sistem BI-ETP may take the following forms:
- a. active into deferred and vice versa;
 - b. active into suspended;
 - c. active into closed;
 - d. deferred into suspended; or
 - e. suspended into closed.
- (3) The participant status made at the written request of the relevant Participant set forth in Article 17 paragraph (2) letter c may only change from active into closed.
- (4) Further provisions for the change of participant status are specified in Bank Indonesia Circular Letter.

Article 19

- (1) If a Participant's status changes into closed as set forth in Article 18 paragraph (1) letter b and letter c, and paragraph (2) letter c and letter e, the Participant shall complete all obligations arising in the operation of Sistem BI-ETP, BI-SSSS, and/or Sistem BI-RTGS.
- (2) To complete the obligations set forth in paragraph (1), the Operator may open an escrow account with Bank Indonesia in the name of the Participant.

Article 20

- (1) For Participants of Sistem BI-ETP and/or BI-SSSS which become the Participants of Sistem BI-RTGS, the change of participant status on Sistem BI-RTGS will affect the participant status on Sistem BI-ETP and/or BI-SSSS.
- (2) For Participants of Sistem BI-ETP which become the Participants of BI-SSSS, the change of participant status on BI-SSSS will affect the participation status on Sistem BI-ETP.

CHAPTER V

PARTICIPANT OBLIGATIONS

Article 21

- (1) In the Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS operation, Participants are obliged to:
 - a. ensure smoothness and safety in using Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS;

- b. be responsible for the validity of Transactions and/or instructions of Settlements, and all information sent by Participants to the Operator through Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS;
 - c. conduct operational activities related to Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS under system usage agreement between the Operator and Participants, and provisions for the Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS operation, and other relevant provisions;
 - d. inform transaction fee through Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS to customers in a transparent manner;
 - e. submit data and information on operational activities of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS to Bank Indonesia; and
 - f. comply with the provisions issued by the association for Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS operation.
- (2) Further provisions for Participant's obligations are specified in Bank Indonesia Circular Letter.

CHAPTER VI

OPERATION OF SISTEM BI-ETP, BI-SSSS, AND SISTEM BI-RTGS

Section One

Sistem BI-ETP Implementation

Article 22

- (1) Transactions through Sistem BI-ETP are implemented by auction or non-auction.

- (2) Further provisions for implementation of Transactions on Sistem BI-ETP are specified in Bank Indonesia Circular Letter.

Article 23

- (1) The Transactions set forth in Article 22 may be implemented directly and/or by appointment of another Participant of Sistem BI-ETP as a broker.
- (2) If a Participant of Sistem BI-ETP appoints another Participant of Sistem BI-ETP as a broker as set forth in paragraph (1), the BI-ETP System Participant shall determine the highest broker bidding limit per day of the appointed broker.
- (3) The broker bidding limit set forth in paragraph (2) is specified in:
 - a. a separate agreement between a Sistem BI-ETP Participant and a broker; or
 - b. the internal procedure of a Sistem BI-ETP Participant.

Section Two

BI-SSSS Operation

Part 1

Administration

Article 24

- (1) Administration conduct by BI-SSSS Operator consist of:
 - a. Administration of Securities; and
 - b. Administration of Transaction results.
- (2) The administration set forth in paragraph (1) is conducted electronically without any notes.

Article 25

- (1) In the Administration set forth in Article 24, the Operator functions as the Central Registry.
- (2) To support the Administration, the Central Registry set forth in paragraph (1) may cooperate with a Sub-Registry or any other parties.
- (3) Further provisions for the Administration and cooperation between the Central Registry and Sub-Registry are specified in Bank Indonesia Circular Letter.

Article 26

Administration is conducted by:

- a. the Central Registry for the interest of a BI-SSSS Participant; and
- b. Sub-Registry for the interest of customers.

Article 27

Any parties, which make Securities transactions but do not have any Securities Accounts, shall appoint Sub-Registry to administer their Securities.

Part 2

Recording of Securities

Article 28

- (1) Recording and transfer of Securities ownership are conducted by book entry by the Central Registry and Sub-Registry.
- (2) Recording of Securities ownership in the Central Registry and Sub-Registry serves as a valid ownership evidence of Securities set forth in paragraph (1).

Article 29

- (1) Recording of Securities owned by a customer in the Sub-Registry Securities Account at Central Registry is global (omnibus account).
- (2) Recording of Securities owned by an individual customer is conducted in Sub-Registry internal system. .
- (3) Sub-Registry is obliged to separately record customer's Securities and the Sub-Registry's Securities.
- (4) Sub-Registry is forbidden to maintain any Securities Account for and in the name of the Sub-Registry itself, the board, shareholder, and management.
- (5) Sub-Registry is responsible for the validity of recording and reporting of Securities ownership on behalf of the customer..

Article 30

- (1) Sub-Registry is obliged to submit:
 - a. report of a customer's Securities ownership recording as set forth in Article 29 paragraph (1) to the Central Registry, and
 - b. report on settlements of Securities transactions of a Sub-Registry's customer, according to the time limit determined by the Operator.
- (2) Sub-Registry is responsible for the validity of reports as set forth in paragraph (1).
- (3) In the event of any errors in the report set forth in paragraph (1), Sub-Registry is obliged to inform the correction according to the time determined by the Operator.
- (4) In the event of a Sub-Registry delays in submitting the report as set forth in paragraph (1) and the correction to the report as set forth in paragraph (3), the Sub-Registry remains obliged to submit a periodic report within the time limit determined by the Operator.

- (5) Sub-Registry is declared failed to submit the report as set forth in paragraph (1) and the correction to the report as set forth in paragraph (3) if it fails to meet the obligatory report submission by the time limit determined by the Operator.
- (6) Further provisions for the procedure and time limit of Sub-Registry report submission are specified in Bank Indonesia Circular Letter.

Part 3

Settlement

Article 31

Settlement through BI-SSSS is final.

Article 32

- (1) Settlement in BI-SSSS may be conducted by fund settlement or without fund settlement.
- (2) The settlement set forth in paragraph (1) may only be conducted if:
 - a. Securities in the Securities Account; and/or
 - b. fund in the Fund Settlement Account of a Participant,is sufficient for Settlement.
- (3) Further provisions for the Settlement set forth in paragraph (1) are specified in Bank Indonesia Circular Letter.

Article 33

- (1) Fund settlement set forth in Article 32 paragraph (1) and/or payment of other obligations through BI-SSSS, a BI-SSSS Participant which is not a Sistem BI-RTGS

Participant shall appoint Sistem BI-RTGS Participating Bank as the beneficiary Bank and/or cash settlement agent.

- (2) Sistem BI-RTGS Participating Bank appointed as a cash settlement agent set forth in paragraph (1) shall manage fund Settlement limit for each BI-SSSS Participant appointing the cash settlement agent.
- (3) Fund Settlement limit managed by a Sistem BI-RTGS Participating Bank appointed as a cash settlement agent set forth in paragraph (2) is specified in:
 - a. a separate agreement between a cash settlement agent and BI-SSSS Participant appointing the cash settlement agent; and/or
 - b. internal procedure of the cash settlement agent.

Article 34

The Operator conducts Settlements through BI-SSSS based on:

- a. Settlement instructions sent by a BI-SSSS Participant through BI-SSSS;
- b. Settlement instructions sent through Sistem BI-ETP; and/or
- c. Settlement instructions from BI-SSSS Participant which is a Securities issuer.

Article 35

- (1) The Operator will not forward any Settlement instructions by the request of any BI-SSSS Participants or based on any decisions of the competent supervisory institution, decisions of the arbitrary board, and/or final and binding court decisions.
- (2) The request not to forward the Settlement instruction set forth in paragraph (1) is conducted for Securities transactions with 2 (two) Settlement processes, namely first leg transaction Settlement and second leg transaction Settlement.

- (3) The Operator will not forward any Settlement instructions by the request of any BI-SSSS participants set forth in paragraph (1) if the Participant may prove a power of attorney thereto to cancel the Settlement instruction from the counterpart BI-SSSS Participant.
- (4) The Operator as set forth in paragraph (1) is responsible for the validity of the power of attorney for Settlement instruction cancellation.
- (5) Further provisions for not forwarding Settlement instructions are specified in Bank Indonesia Circular Letter.

Article 36

Sub-Registry is obliged to forward any Settlement results to its customers on the same date as the Settlement date.

Part 4

Payment of Coupon/Interest or Reward and Principal/Nominal Payment of Securities

Article 37

Any BI-SSSS Participants issuing Securities shall have sufficient fund in their Fund Settlement Account to pay the coupon/interest or rewards and to pay the principal/nominal of Securities when due.

Article 38

- (1) The Operator will pay the coupon/interest or rewards and pay the principal/nominal Securities when due to the Securities owner on the expense of Fund Settlement Account of the BI-SSSS Participant issuing the Securities.

- (2) The Operator may pay the principal/nominal of Securities prior to the maturity date and accrued interest on the coupon/interest or rewards to the Securities owner based on the written request of a BI-SSSS Participant issuing Securities, provided that Fund Settlement Account of the BI-SSSS Participant issuing the Securities is sufficient. .
- (3) Sub-Registry shall forward the payment of coupon/interest or rewards and principal/nominal payment of Securities to the Securities owner on the same date as date when Sub-Registry receives the payment of coupon/interest or rewards and principal/nominal payment of Securities from a Securities issuer.
- (4) Sub-Registry shall give service, interest, or compensation to a Securities owner if the Sub-Registry does not forward the payment of coupon/interest or rewards and the principal/nominal payment of Securities on the same date to the Securities owner as set forth in paragraph (3).
- (5) Further provisions for payment of coupon/interest or rewards, principal/nominal payment of Securities, and service, interest, or compensation are specified in Bank Indonesia Circular Letter.

Part 5

Charging of Participant's Securities Account and/or Fund Settlement Account

Article 39

For Administration activities, the Operator will debit the Securities Account of a BI-SSSS Participant, Fund Settlement Account of a BI-SSSS Participant, and/or Fund Settlement Account of a cash settlement agent appointed by a BI-SSSS Participant.

Section Three

Sistem BI-RTGS Operation

Part 1

Fund Transfer on Sistem BI-RTGS

Article 40

Fund transfer conducted through Sistem BI-RTGS covers the following services:

- a. single credit;
- b. multiple credit; and
- c. single debit.

Article 41

- (1) Bank Indonesia as a Sistem BI-RTGS Participant may use all the fund transfer services set forth in Article 40.
- (2) Any Sistem BI-RTGS Participants other than Bank Indonesia may only use the single credit fund transfer service set forth in Article 40 letter a and multiple credit fund transfer service set forth in Article 40 letter b.

Article 42

The possible fund transfer in the single credit fund transfer service set forth in Article 40 letter a and multiple credit fund transfer service set forth in Article 40 letter b include:

- a. fund transfer from a Sistem BI-RTGS Participant to another Sistem BI-RTGS Participant;
- b. fund transfer from a Sistem BI-RTGS Participant to another Sistem BI-RTGS Participant customer and vice versa;

- c. fund transfer from a Sistem BI-RTGS Participant customer to another Sistem BI-RTGS Participant customer.

Article 43

The single debit fund transfer service set forth in Article 42 letter c includes:

- a. payments of a Sistem BI-RTGS Participant obligation to Bank Indonesia;
- b. corrections to any transactions sent to Bank Indonesia; and
- c. fund settlement of transactions and other obligations set forth in the provisions of Bank Indonesia.

Article 44

- (1) In conduct of the fund transfer set forth in Article 40, the Operator determines:
 - a. transaction type obliged to be conducted through Sistem BI-RTGS;
 - b. limitation of the transaction types, which may be used by a particular Sistem BI-RTGS Participant; and/or
 - c. limit of fund transfer nominal value, which may be conducted through Sistem BI-RTGS.
- (2) Further provisions for transaction types, limitation of transaction types usage, and limit of fund transfer nominal value through Sistem BI-RTGS are specified in Bank Indonesia Circular Letter.

Article 45

- (1) A Sistem BI-RTGS sending Participant shall construct fund Settlement instructions according to the procedure determined by the Operator.
- (2) The fund Settlement instructions set forth in paragraph (1) are obliged to use transaction codes as determined by the Operator.

- (3) Further provisions for the procedure for construction and delivery of fund Settlement instructions and usage of transaction codes are specified in Bank Indonesia Circular Letter.

Article 46

- (1) A Sistem BI-RTGS sending Participant shall require a sending customer to fill fund transfer instructions completely and correctly by taking into account the applicable provisions.
- (2) A Sistem BI-RTGS sending Participant is obliged to send the fund Settlement instruction set forth in Article 45 paragraph (1) on the same date as the date of fund transfer instruction received from its sending customer.
- (3) The fund Settlement instruction set forth in paragraph (2) is obliged to be sent by a Sistem BI-RTGS sending Participant no later than 1 (one) hour since Sistem BI-RTGS sending Participant accepts the fund transfer instruction from its customer.
- (4) The provisions set forth in paragraphs (2) and (3) are not applicable for the conditions determined by the Operator.
- (5) If Sistem BI-RTGS sending Participant does not send the fund Settlement instruction set forth in paragraph (2), such Sistem BI-RTGS sending Participant is obliged to pay the service, interest, or compensation to its customer.
- (6) Further provisions for fund transfer instructions, fund Settlement instruction delivery, determination of particular conditions, and amount of service, interest, or compensation to sending customer are specified in Bank Indonesia Circular Letter.

Fund settlement

Article 47

Fund settlement in Sistem BI-RTGS is final.

Article 48

- (1) Fund settlement in Sistem BI-RTGS is conducted by using the fund available in the Fund Settlement Account.
- (2) The fund Settlement set forth in paragraph (1) may be conducted if and only if the fund available in the Fund Settlement Account is sufficient.
- (3) The Operator determines the fund Settlement mechanism set forth in paragraph (2) if the fund is not sufficient for such fund Settlement.
- (4) Further provisions for fund Settlement are specified in Bank Indonesia Circular Letter.

Article 49

- (1) If a Sistem BI-RTGS receiving Participant accepts the fund Settlement instruction set forth in Article 45 paragraph (1), such Sistem BI-RTGS receiving Participant is obliged to forward the fund to its receiving customer on the same date as the fund Settlement date.
- (2) The fund transfer to a receiving customer set forth in paragraph (1) is obliged to be made as soon as practicable or no later than 1 (one) hour since the fund Settlement instruction is received by Sistem BI-RTGS receiving Participant.
- (3) The provisions set forth in paragraphs (2) and (3) are not applicable for the conditions determined by the Operator.

- (4) If a Sistem BI-RTGS receiving Participant does not forward the fund set forth in paragraph (1), such Sistem BI-RTGS receiving Participant shall give service, interest, or compensation to its receiving customer.
- (5) Further provisions for the time limit of fund forwarding from the fund Settlement, determination of particular conditions, and amount of service, interest, or compensation to a receiving customer are specified in Bank Indonesia Circular Letter.

Article 50

- (1) Sistem BI-RTGS provides the facility to manage liquidity and credit risks for Sistem BI-RTGS Participant.
- (2) Further provisions for the risk management facilities are specified in Bank Indonesia Circular Letter.

Part 3

Charging of Fund Settlement Account

Article 51

For fund Settlement, the Operator debits a Fund Settlement Account.

Part 4

Intraday Liquidity Facility

Article 52

- (1) The Operator provides FLI to a Sistem BI-RTGS Participating Bank, which consists of FLI-RTGS and FLI-Kliring.

- (2) The Operator determines FLI usage requirements which shall be fulfilled by Sistem BI-RTGS Participating Bank.
- (3) Further provisions for the FLI usage requirements set forth in paragraph (2) are specified in Bank Indonesia Circular Letter.

Article 53

- (1) Sistem BI-RTGS Participating Bank, which will use FLI shall provide Securities as determined by the Operator.
- (2) The FLI usage set forth in paragraph (1) is conducted through repurchase agreement (repo) of FLI-RTGS and/or FLI-Kliring of Securities owned by Sistem BI-RTGS Participating Bank.
- (3) The Securities provided for FLI-Kliring set forth in paragraph (2) may not be used for FLI-RTGS.
- (4) Further provisions for requirements of Securities, which may be used to obtain FLI, and FLI usage are specified in Bank Indonesia Circular Letter.

Article 54

- (1) FLI-RTGS usage is conducted automatically when the fund in a Fund Settlement Account in Rupiah owned by a Sistem BI-RTGS Participating Bank is insufficient for fund Settlement of outgoing transactions.
- (2) FLI-Kliring usage is conducted automatically when the fund in a Fund Settlement Account in Rupiah owned by a Sistem BI-RTGS Participating Bank is insufficient for fund Settlement of multilateral net positions as the result of the calculation in SKNBI.

- (3) The FLI usage set forth in paragraphs (1) and (2) is conducted based on the adequacy value of the Securities available in FLI-RTGS account and FLI-Kliring account determined by the Operator.

Article 55

- (1) The Operator charge the fee for FLI usage and/or other fees related to FLI usage to Sistem BI-RTGS Participating Bank.
- (2) Further provisions for FLI usage fee and other fees related to the FLI usage are specified in Bank Indonesia Circular Letter.

Article 56

- (1) Sistem BI-RTGS Participating Bank is obliged to repay FLI usage until the time limit determined by the Operator.
- (2) If a Sistem BI-RTGS Participating Bank is not able to repay FLI usage until the time limit set forth in paragraph (1), any unrepaid FLI usage shall be treated as lending facility transaction with Bank Indonesia.
- (3) The lending facility set forth in paragraph (2) follows Bank Indonesia provisions for monetary operation and sharia monetary operation.
- (4) Further provisions for FLI usage repayment are specified in Bank Indonesia Circular Letter.

Section Four

Transaction and Settlement Data

Article 57

- (1) The Operator sends transaction and/or Settlement result data to each Participant at the end of a day.
- (2) If there is any difference between transaction data and/or Settlement result data owned by each Participant and transaction data and/or Settlement result data owned by the Operator, the Operator's data will be used.

Section Five

Operational Time

Article 58

- (1) Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS are operated in an operational time determined by the Operator.
- (2) The operational time of Sistem BI-ETP set forth in paragraph (1) consists of:
 - a. operational days; and
 - b. operational hours.
- (3) The operational time of BI-SSSS and Sistem BI-RTGS set forth in paragraph (1) consists of:
 - a. operational days;
 - b. operational hours; and
 - c. periods during operational hours.
- (4) Participant is obliged to conduct operational activities related to Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS according to the operational time set forth in paragraphs (2) and (3), except for conditions determined by the Operator.
- (5) The Operator may change the operational time set forth in paragraphs (2) and (3).

- (6) Participant may only request for extension of periods in BI-SSSS and Sistem BI-RTGS.
- (7) Further provisions for the operational time and certain conditions determined by the Operator are specified in Bank Indonesia Circular Letter.

Section Six

Fees

Article 59

- (1) The Operator determines the types and amount of fees in the operation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS.
- (2) The Operator may exempt fees in the operation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS in the event of Unforeseeable Condition and/or Emergency.
- (3) Further provisions for the types and amount of fees, fee exemption, and fee charging mechanism are specified in Bank Indonesia Circular Letter.

Article 60

- (1) The Operator may determine the maximum fee limit charged by a Participant to its customer in the Sistem BI-RTGS operation.
- (2) The Operator may request a Participant to give information on the amount of fee charged by a Participant to its customer in the operation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS.
- (3) The Operator may announce to the public the amount of fee it charges to a Participant and that charged by a Participant to its customer in the operation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS set forth in paragraph (2).

- (4) Further provisions for determination of maximum fee limit charged by a Participant to its customer are specified in Bank Indonesia Circular Letter.

Section Seven

Handling of Unforeseeable Condition and/or Emergency Condition

Article 61

- (1) In the event of Unforeseeable Condition in the operation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS and/or Emergency Condition in the Operator's location, the Operator notifies such condition to Participant including measures to overcome such Unforeseeable Condition and/or Emergency Condition.
- (2) In the event of Unforeseeable Condition and/or Emergency Condition in Participant's location, resulting in the Participant's inability to send any Transactions and/or Settlement instructions, such Transactions and/or Settlement instructions may be sent by using the facilities provided by the Operator.
- (3) Further provisions for the mitigation of Unforeseeable Condition and Emergency Condition are specified in Bank Indonesia Circular Letter.

CHAPTER VII

EXEMPTION FROM THE OPERATOR'S RESPONSIBILITIES

Article 62

The Operator is exempted from any claims for any losses suffered by a Participant or third party arising and/or to be arising from:

- a. delay in or failure of any Transactions, Settlements, and payments of coupon/interest or rewards and principal/nominal payments of Securities due to a Participant's negligence, Unforeseeable Condition, and/or Emergency Condition;
- b. Transactions or Settlement instructions are sent by an incompetent authority;
- c. incorrectness of Transactions data or Settlement instructions data sent by a Participant; and/or
- d. the Settlement instructions which are not forwarded as set forth in Article 35 paragraph (1).

CHAPTER VIII

PARTICIPANT COMPLIANCE MONITORING

Article 63

- (1) The Operator monitors Participant compliance against the provisions specified by the Operator.
- (2) The monitoring set forth in paragraph (1) is conducted by on-site and off-site.
- (3) For conducting the Participant compliance monitoring set forth in paragraph (2), a Participant is obliged to:
 - a. submit periodic and incidental reports;
 - b. provide data, information, and/or documents required by the Operator pertaining to the Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS operation;
 - c. grant access to the Operator to make on-site examination of any documents, physical facilities, supporting applications related to the Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS operation, and a Participant's operational activities; and

- d. follow up the result of the monitoring conducted by the Operator.
- (4) For the monitoring set forth in paragraph (1), the Operator may request a Participant to test its infrastructure used in the operational of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS.
- (5) Further provisions for the mechanism of Participant compliance monitoring, types of reports, and report submission mechanism in implementing Participant compliance monitoring are specified in Bank Indonesia Circular Letter.

Article 64

The Participant compliance monitoring set forth in Article 63 paragraph (1) includes compliance monitoring of administration activities conducted by a Sub-Registry and/or any other parties specified in Article 25 paragraph (2).

Article 65

- (1) The Operator may appoint another party for and on behalf of the Operator to conduct Participant compliance monitoring.
- (2) Another party implementing the monitoring set forth in paragraph (1) is obliged to keep the confidentiality of any information and data obtained in the monitoring.
- (3) Further provisions for Participant compliance monitoring are specified in Bank Indonesia Circular Letter.

Article 66

- (1) The periodic report set forth in Article 63 paragraph (3) letter a is obliged to be submitted within the time limit determined by the Operator.

- (2) In the event of a Participant delays in submitting periodic reports within the time limit determined by the Operator, such Participant will remain obliged to submit the periodic reports within the time limit determined by the Operator.
- (3) A Participant is declared failed to submit periodic reports if such Participant fails to submit such reports within the determined time limit as set forth in paragraph (2).

CHAPTER IX

MISCELLANEOUS PROVISIONS

Article 67

- (1) The party set forth in Article 4 paragraph (1), which has become a BI-SSSS Participant under Bank Indonesia Regulation Number 10/2/PBI/ 2008 on Bank Indonesia-Scripless Securities Settlement System (State Gazette of the Republic of Indonesia of 2008 Number 11, Supplement to State Gazette of the Republic of Indonesia Number 4809) as amended by Bank Indonesia Regulation Number 12/12/PBI/2010 (State Gazette of the Republic of Indonesia of 2010 Number 93, Supplement to State Gazette of the Republic of Indonesia Number 5146) and has the role as set forth in Article 4 paragraph (2), is declared as a Sistem BI-ETP Participant under this Regulation.
- (2) The Party set forth in Article 7 paragraph (1), which has become a BI-SSSS Participant under Bank Indonesia Regulation Number 10/2/PBI/2008 on Bank Indonesia-Scripless Securities Settlement System (State Gazette of the Republic of Indonesia of 2008 Number 11, Supplement to State Gazette of the Republic of Indonesia Number 4809) as amended by Bank Indonesia Regulation Number 12/12/PBI/2010 (State Gazette of the Republic of Indonesia of 2010 Number 93, Supplement to State Gazette of the Republic

of Indonesia Number 5146) and functions as set forth in Article 7 paragraph (2), is declared as a BI-SSSS Participant under this Regulation.

- (3) The party set forth in Article 11, which has become a Sistem BI-RTGS Participant under Bank Indonesia Regulation Number 10/6/PBI/2008 on Bank Indonesia Real Time Gross Settlement System (State Gazette of the Republic of Indonesia of 2008 Number 32, Supplement to State Gazette of the Republic of Indonesia Number 4820), is declared to remain as a Sistem BI-RTGS Participant under this Regulation.

CHAPTER X

SANCTION

Article 68

- (1) Any Participant, which fails to meet the obligation to maintain smoothness and security in using Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS set forth in Article 21 paragraph (I) letter a is imposed with an administrative sanction in the form of written warning.
- (2) If a Participant fails to follow up the written warning set forth in paragraph (1) within 30 (thirty) days at the maximum since such written warning is received, such Participant may be imposed with an administrative sanction in the form of participation status demotion.

Article 69

Any Participant failing to inform transaction fees in the of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS operation to customers in a transparent manner as set forth in Article 21

paragraph (1) letter d is imposed with an administrative sanction in the form of written warning.

Article 70

- (1) Any Sub-Registry delaying in submitting the report set forth in Article 30 paragraph (1) is imposed with an administrative sanction in the form of an obligation to pay Rp100,000.00 (one hundred thousand rupiah) per delay business day since the report submission time limit determined by the Operator with the maximum amount of Rp10,000,000.00 (ten million rupiah).
- (2) Any Sub-Registry, which delays in submitting and/or fails to submit the report correction according to the time limit determined by the Operator set forth in Article 30 paragraph (4), is imposed with an administrative sanction in the form of written warning.
- (3) In the event of any Sub-Registry fails to submit the report set forth in Article 30 paragraph (5), the Sub-Registry is imposed with an administrative sanction in the form of written warning.

Article 71

Any Sistem BI-RTGS sending Participants, who fill in transaction codes different from the Operator's determination set forth in Article 45 paragraph (2), is imposed with an administrative sanction in the form of an obligation to pay Rp100,000.00 (one hundred thousand rupiah) per fund Settlement instruction with the maximum amount of Rp10,000,000.00 (ten million rupiah) in the current month.

Article 72

- (1) In the event of fund Settlement instruction from Sistem BI-RTGS sending Participant is not sent by such Sistem BI-RTGS sending Participant within the time limit set forth in Article 46 paragraph (3), the Sistem BI-RTGS sending Participant is imposed with an administrative sanction in the form of an obligation to pay Rp100,000.00 (one hundred thousand rupiah) per fund Settlement instruction with the maximum amount of Rp10,000,000.00 (ten million rupiah) per 1 (one) monitoring period.
- (2) In the event of a Sistem BI-RTGS sending Participant fails to forward fund to a receiving customer within the time limit set forth in Article 49 paragraph (2), the Sistem BI-RTGS sending Participant is imposed with an administrative sanction in the form of an obligation to pay Rp100,000.00 (one hundred thousand rupiah) per fund Settlement instruction with the maximum amount of Rp10,000,000.00 (ten million rupiah) per 1 (one) monitoring period.

Article 73

Any Participant failing to submit:

- a. the incidental report set forth in Article 63 paragraph (3) letter a; and/or
- b. data, information, and/or documents related to the Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS operation set forth in Article 63 paragraph (3) letter b;

is imposed with an administrative sanction in the form of written warning.

Article 74

- (1) Any Participants fails to provide access to the Operator to conduct on-site examination set forth in Article 63 paragraph (3) letter c is imposed with an administrative sanction in the form of written warning.

- (2) In the event of any Participant fails to follow up the written warning set forth in paragraph (1) within 7 (seven) days at the maximum since such written warning is received, such Participant may be imposed with an administrative sanction in the form of participation status demotion.

Article 75

- (1) Any Participant fails to follow up the monitoring result conducted by the Operator as set forth in Article 63 paragraph (3) letter d is imposed with an administrative sanction in the form of written warning.
- (2) In the event of Any Participants failing to follow up the written warning set forth in paragraph (1) is imposed with an administrative sanction in the form of participation status demotion.

Article 76

- (1) Any Participant delays in submitting the periodic report within the time limit set forth in Article 66 paragraph (2) is imposed with an administrative sanction in the form of an obligation to pay Rp500,000.00 (five hundred thousand rupiah) per delay business day with the maximum amount of Rp15,000,000.00 (fifteen million rupiah).
- (2) In the event of any Participant fails to submit the periodic report set forth in Article 66 paragraph (3), such Participant is imposed with an administrative sanction in the form of written warning.
- (3) Any Participant fails to follow up the written warning set forth in paragraph (2) no later than 30 (thirty) days since the written warning date may be imposed with an administrative sanction in the form of participation status demotion.

Article 77

Further provisions for the administrative sanction imposition mechanism are specified in Bank Indonesia Circular Letter.

CHAPTER XI

CLOSING PROVISIONS

Article 78

Further provisions for this Bank Indonesia Regulation are specified in Bank Indonesia Circular Letter.

Article 79

At the time this Bank Indonesia Regulation comes into force:

- a. Bank Indonesia Regulation Number 10/2/PBI/2008 on Bank Indonesia-Scripless Securities Settlement System (State Gazette of the Republic of Indonesia of 2008 Number 11, Supplement to State Gazette of the Republic of Indonesia Number 4809);
- b. Bank Indonesia Regulation Number 10/6/PBI/ 2008 on Bank Indonesia Real Time Gross Settlement System (State Gazette of the Republic of Indonesia of 2008 Number 32, Supplement to State Gazette of the Republic of Indonesia Number 4820);
- c. Bank Indonesia Regulation Number 10/29/ PBI/ 2008 on Intraday Liquidity Facility for Commercial Banks (State Gazette of the Republic of Indonesia of 2008 Number 174, Supplement to State Gazette of the Republic of Indonesia Number 4922);
- d. Bank Indonesia Regulation Number 11/30/ PBI/ 2009 on Intraday Liquidity Facility under Sharia Principles (State Gazette of the Republic of Indonesia of 2009 Number 108, Supplement to State Gazette of the Republic of Indonesia Number 5034);

- e. Bank Indonesia Regulation Number 12/12/ PBI/2010 on the Amendment to Bank Indonesia Regulation Number 10/2/PBI/2008 on Bank Indonesia-Scripless Securities Settlement System (State Gazette of the Republic of Indonesia of 2010 Number 93, Supplement to State Gazette of the Republic of Indonesia Number 5146); and
 - f. Bank Indonesia Regulation Number 12/13/ PBI/2010 on the Amendment to Bank Indonesia Regulation Number 10/29/PBI/2008 on Intraday Liquidity Facility for Commercial Banks (State Gazette of the Republic of Indonesia of 2010 Number 94, Supplement to State Gazette of the Republic of Indonesia Number 5147),
- shall be revoked and declared not applicable.

Article 80

- (1) Provisions for the maximum fee limit imposed by a Participant to its customer in the Sistem BI-RTGS operation set forth in Article 60 paragraph (1) comes into force on July 1st 2016.
- (2) Provisions for the Participant obligation to submit periodic reports set forth in Article 66 and the administrative sanction for report submission obligation set forth in Article 76 comes into force for the reporting period of 2016.
- (3) Provisions for the administrative sanction in the form of an obligation to pay in the event of:
 - a. report submission delay by a Sub-Registry set forth in Article 70 paragraph (1);
 - b. violation of transaction code fulfillment set forth in Article 71 other than certain transaction codes determined in Bank Indonesia Circular Letter on the operation of real-time fund settlement through Sistem Bank Indonesia-Real Time Gross Settlement;

- c. violation of time limit of fund Settlement instruction delivery to a Sistem BI-RTGS sending Participant set forth in Article 72 paragraph (1), and
 - d. violation of time limit of fund transfer to a receiving customer set forth in Article 72 paragraph (2),
- comes into force on July 1st 2016.

Article 81

This Bank Indonesia Regulation comes into force on November 16th 2015.

For public cognizance, ordering the promulgation of this Bank Indonesia Regulation by placing it in the State Gazette of the Republic of Indonesia.

Established in Jakarta
on November 12th 2015

GOVERNOR OF BANK INDONESIA,

(signed)

AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta
on November 12th 2015

MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA,

(signed)

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2015 NUMBER 273

ELUCIDATION OF
BANK INDONESIA REGULATION NUMBER 17/18/PBI/2015 ON
IMPLEMENTATION OF TRANSACTIONS, ADMINISTRATION OF SECURITIES,
AND REAL-TIME FUND SETTLEMENT

I. GENERAL

Sistem BI-RTGS, which has been used since 2000, has become a vital infrastructure in the payment, financial, and economic systems in Indonesia. The system has been the estuary of various financial transactions in Indonesia, namely retail, financial market, and capital market transactions. In addition to as the main infrastructure in the financial system in Indonesia, Sistem BI-RTGS has also been recognized and widely used for payment settlements between banks of other economic transactions. This condition results in the increasing volume of payment transactions between banks settled through Sistem BI-RTGS year by year.

Increase in the volume of payment transactions in Sistem BI-RTGS closely relates to the contribution of increasing volume of securities transactions in BI-SSSS. BI-SSSS is a means of monetary operation transactions, extension of funding facilities by Bank Indonesia to a Bank, implementation of SBN auction and trade and administration of Bank Indonesia Certificate and SBN.

In line with the increasing volume of payment transactions in Sistem BI-RTGS and BI-SSSS, to increase liquidity management in a more efficient manner, Bank Indonesia considers it necessary to develop the existing Sistem BI-RTGS and BI-SSSS.

Further, to accommodate the development of monetary operation transactions and financial market transactions, such system development is not limited only to the development of Sistem BI-RTGS and BI-SSSS, but also the development of Sistem BI-ETP.

Pertaining to the above, in order to realize safer and more efficient implementation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS and for easier integration with other financial system infrastructures, both domestic and between countries, development is made by integrating Sistem BI-RTGS, BI-SSSS, and Sistem BI-ETP in accordance with the Principles for Financial Market Infrastructures (PFMI) issued by the Committee on Payments and Financial Market Infrastructures and the International Organization of Securities Commissions (CPMI-IOSCO).

Further, to provide a comprehensive legal ground in the implementation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS, a Bank Indonesia Regulation is required on Transaction Implementation, Administration of Securities, and Real-Time Fund Settlement.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory

Article 2

Self-explanatory

Article 3

Paragraph (1)

Letter a

Provisions and procedures for Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS operation among others include the provisions and procedures for Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS operation in normal conditions, Abnormal Conditions, and/or Emergencies.

Letter b

"Facilities and infrastructures" means among others are help desk, information system, and contingency facilities for Participants.

Letter c

"Operational activities" means among others are conducting the operational activities of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS under the applicable regulations.

Letter d

Efforts to guarantee the reliability, availability, and safety of the Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS operation among others conducted by establish the service level agreement for Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS operation, and procedures to overcome the Abnormal Conditions and/or Emergencies.

Letter e

Monitoring of Participant's compliance conduct based on the provisions for implementation of Transactions, Administration of Securities, and Real-Time Fund settlement.

Paragraph (2)

Self-explanatory

Article 4

Paragraph (1)

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

Self-explanatory

Letter d

Self-explanatory

Letter e

"Rupiah and foreign currency broker" means a company specifically established to provide broker services for the customers in rupiah and foreign exchange money market by obtaining fees for their services.

Letter f

"Security company" means a company engaged in a business activity as an underwriter, trading broker, and/or investment manager.

Letter g

Another institution may become a Sistem BI-ETP Participant with the approval of the Operator provided that such institution's participation is among others based on the applicable laws and regulations and/or financial market development consideration in Indonesia.

Paragraph (2)

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

Self-explanatory

Letter d

Self-explanatory

Letter e

Self-explanatory

Letter f

Determination of any other roles for Sistem BI-ETP Participant, if deemed necessary, is among others based on the applicable laws and regulations, financial market development consideration in Indonesia, and/or technical consideration.

Article 5

Self-explanatory

Article 6

Self-explanatory

Article 7

Paragraph (1)

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

Self-explanatory

Letter d

‘Deposit and settlement institution’ means a party carrying on central custodian activities for custodian Banks, security companies, and other parties as specified in the applicable laws and regulations.

Letter e

“Security company“ means a party carrying on business activities as underwriter, trading broker, and/or investment manager.

Letter f

Another institution may become a BI-SSSS Participant with the approval of the Operator provided that such institution's participation is among others based on the applicable laws and regulations, securities market development considerations in Indonesia, and/or technical considerations.

Paragraph (2)

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

Self-explanatory

Letter d

Determination of any other functions for BI-SSSS Participant, if deemed necessary, is among others based on the applicable laws and regulations, financial market development consideration in Indonesia, and/or technical considerations.

Article 8

Self-explanatory

Article 9

Self-explanatory

Article 10

Separation of participation in BI-SSSS implementation in its own name from Sub-Registry participation aims to clarify the separation of Securities asset ownership in the name of the relevant BI-SSSS Participant and Securities asset in the customer's name.

Article 11

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

Clearing operator and/or settlement operator is among others the clearing operator and/or final settlement operator set forth in Bank Indonesia

provisions for implementation of fund transfer and scheduled clearing and Bank Indonesia provisions for implementation of payment means activities by card.

Letter d

Another institution may become a Sistem BI-RTGS Participant with the Operator's approval provided that such another institution's participation aims among others to support:

- a. safer and more efficient settlements of payment transactions, securities transactions, and financial market transactions in Indonesia; and
- b. effectiveness of monetary policy operations by Bank Indonesia.

Article 12

Self-explanatory

Article 13

Self-explanatory

Article 14

Self-explanatory

Article 15

Paragraph (1)

Letter a

“Active” status means a Participant may perform all functions in the implementation of Sistem BI-ETP according to the relevant Participant's access right.

Letter b

“Suspended” means all transactional activities of a Participant in Sistem BI-ETP implementation are stopped.

Letter c

“Closed” means participation of a Participant in Sistem BI-ETP implementation is stopped and may not be reactivated as a Participant.

Paragraph (2)

Self-explanatory

Article 16

Paragraph (1)

Letter a

“Active” status means a Participant may perform all functions in the implementation of BI-SSSS and Sistem BI-RTGS according to the relevant Participant's access right.

Letter b

“Deferred” means a Participant may not conduct any particular transactional activities in the implementation of BI-SSSS and BI-RTGS according to the limitation applied by the Operator.

Letter c

Suspended means all transactional activities of a Participant in the implementation of BI-SSSS and Sistem BI-RTGS.

Letter d

“Closed” means participation of a Participant in BI-SSSS and Sistem BI-RTGS implementation is stopped and may not be reactivated as a Participant.

Paragraph (2)

Exemption from this provision aims among others to provide certainty to allow Sub-Registry customers make transactions and Settlements of Securities.

Article 17

Paragraph (1)

Self-explanatory

Paragraph (2)

Letter a

Self-explanatory

Letter b

‘Competent parties in supervision’ among others are Bank Indonesia as the supervisory authority of macroprudence and payment system, and Financial Services Authority as the microprudential supervisory authority.

Letter c

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Article 18

Self-explanatory

Article 19

Paragraph (1)

Self-explanatory

Paragraph (2)

An (escrow account) is used among others to receive payment of coupon/interest or reward and payment of principal/nominal of Securities.

Article 20

Paragraph (1)

‘Affect’ means among others:

- a. Change of participation status in Sistem BI-RTGS into suspend, results in suspend participation status in BI-SSSS and freeze participation status in Sistem BI-ETP.
- b. Change of participation status in Sistem BI-RTGS into freeze results in freeze participation status in BI-SSSS and Sistem BI-ETP.
- c. Change of participation status in Sistem BI-RTGS into closed results in closed participation status in BI-SSSS and BI— ETP System.

Paragraph (2)

‘Affect’ means among others:

- a. Change of participation status in BI-SSSS into suspend and freeze results in freeze participation status in Sistem BI-ETP.
- b. Change of participation status in BI-SSSS into closed results in closed participation status in Sistem BI-ETP.

Article 21

Paragraph (1)

Letter a

Examples of activities conducted by a Participant in maintaining system smoothness and safety used in the implementation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS among others are establish written policies and procedures in the operational of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS and conducting internal inspection, and security audit.

Letter b

Supporting documents shall become the basis for ensuring the validity of Transactions and/or Settlement instructions, transaction delivery, and/or Settlement instructions.

Letter c

Self-explanatory

Letter d

“Transaction fee” means the transaction fee exempted by the Operator to a Participant and transaction fee charged by Participant to a customer.

Letter e

Self-explanatory

Letter f

Self-explanatory

Paragraph (2)

Self-explanatory

Article 22

Self-explanatory

Article 23

Paragraph (1)

Other Sistem BI-ETP Participants as brokers means Sistem BI-ETP Participants determined by the Government and relevant authority including among others:

- a. rupiah and foreign currency brokers, security companies as participants of monetary operations and sharia monetary operations;
and
- b. Banks and security companies as SBN transaction participants.

Paragraph (2)

Self-explanatory

Paragraph (3)

Letter a

Self-explanatory

Letter b

Arrangement in the internal procedure of a Sistem BI-ETP Participant applies if the appointing Sistem BI-ETP Participant and the Sistem BI-ETP Participant appointed as a broker is part of the same legal entity.

Article 24

Self-explanatory

Article 25

Self-explanatory

Article 26

Letter a

Self-explanatory

Letter b

In the Administration for the customer's interest, a Sub-Registry uses its internal system.

Article 27

Self-explanatory

Article 28

Paragraph (1)

“Book entry” means ownership recording and ownership transfer in a journal.

Paragraph (2)

Recording of ownership of Securities from Settlements of repurchase agreement (repo) collateralized borrowing and collateralization transactions is not calculated as the lender or collateral receiver ownership.

Article 29

Paragraph (1)

‘Global (omnibus account)’ means recording which is not conducted individually and in detail per customer. Recording individually and in detail per customer is conduct by Sub-Registry.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

‘Management’ means an official that responsible for Sub-Registry operational implementation.

Paragraph (5)

Self-explanatory

Article 30

Self-explanatory

Article 31

‘Final’ means any executed Settlements shall not be canceled.

Article 32

Paragraph (1)

Self-explanatory

Paragraph (2)

Adequacy requirement for fund in a Participant's Fund Settlement Account includes payment for and on behalf of another Participant appointing the Participant as a cash settlement agent.

Paragraph (3)

Self-explanatory

Article 33

Paragraph (1)

‘Other mandatory payments’ among others mean payment of system use cost.

Paragraph (2)

Determination of fund Settlement limit is intended to mitigate risks in Settlement implementation.

Paragraph (3)

Letter a

Self-explanatory

Letter b

Determination of fund Settlement limit in the internal procedure will apply if an appointing BI-SSSS Participant and cash settlement agent is part of the same legal entity.

Article 34

Self-explanatory

Article 35

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

Power of attorney for cancellation of Settlement instructions from a counter-transaction Participant is evidenced in the form of cancellation of power of attorney clause in a separate agreement or power of attorney.

Paragraph (4)

Self-explanatory

Paragraph (5)

Self-explanatory

Article 36

Self-explanatory

Article 37

Self-explanatory

Article 38

Self-explanatory

Article 39

Self-explanatory

Article 40

Letter a

“Single credit” means fund transfer consisting only of 1 (one) fund Settlement instruction to be transferred to the Fund Settlement Account of a beneficiary Sistem BI-RTGS Participant, for the interest of the beneficiary Sistem BI-RTGS Participant and the interest of the fund beneficiary specified in the fund Settlement instruction.

Letter b

“Multiple credit” means fund transfer consisting of more than 1 (one) and 10 (ten) fund Settlement instructions at the maximum to be transferred to some beneficiary customer accounts in 1 (one) beneficiary Sistem BI-RTGS Participant.

Letter c

“Single debit” means fund transfer by Bank Indonesia consisting of 1 (one) fund Settlement instruction to debit the account of a Sistem BI-RTGS Participant, for the interest of Bank Indonesia and the interest of the fund beneficiary specified in the fund Settlement instruction.

Article 41

Self-explanatory

Article 42

Letter a

Self-explanatory

Letter b

“Customer” means a customer who has an account with a Participant and that which does not have an account with a Participant.

Letter c

Self-explanatory

Article 43

Letter a

‘Settlement of Sistem BI-RTGS Participant's obligation to Bank Indonesia’ is debiting of current account by Bank Indonesia among others to charge fees for services provided by Bank Indonesia and to impose an administrative sanction to pay to Bank Indonesia for breach of Bank Indonesia provisions.

Letter b

Self-explanatory

Letter c

Fund Settlement implementation for transactions among others are:

- a. Fund settlement for Transactions;
- b. obligation to pay the less difference of cash deposit;
- c. clearing result Settlements; and/or
- d. fund settlement of SBN transactions.

“Settlements of other obligations” among others is debiting of Fund Settlement Account of a Sistem BI-RTGS Participant Fund by Bank Indonesia at the request of an authority under Bank Indonesia provisions for current account with Bank Indonesia.

Article 44

Self-explanatory

Article 45

Self-explanatory

Article 46

Paragraph (1)

“Applicable provisions” among others are laws and regulations on money laundering, primarily related to monitoring of suspicious transactions, and laws and regulations on fund transfer.

Paragraph (2)

Self-explanatory

Paragraph (3)

“Accept” means an activity conducted by a transferring Sistem BI-RTGS Participant showing approval for executing or fulfilling the received fund transfer instruction.

Paragraph (4)

Self-explanatory

Article 47

‘Final’ means any conducted fund settlement may not be canceled.

Article 48

Paragraph (1)

Self-explanatory

Paragraph (2)

Fund adequacy in a Fund Settlement Account also calculates FLI owned by a Sistem BI-RTGS Participant.

Paragraph (3)

Fund settlement mechanism determined by the Operator among others is:

- a. queuing mechanism, namely arrangement of order of non-executable fund Settlement instructions.
- b. determine the priority of fund Settlement implementation.

Paragraph (4)

Self-explanatory

Article 49

Paragraph (1)

“Accept” means an activity conducted by a beneficiary Sistem BI-RTGS Participant showing approval for executing or fulfilling the received fund transfer instruction.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Paragraph (5)

Self-explanatory

Article 50

Self-explanatory

Article 51

Self-explanatory

Article 52

Paragraph (1)

“FLI RTGS” means FLI used to overcome funding difficulties during the operational hours of Sistem BI-RTGS.

“Clearing FLI” means FLI used to overcome funding difficulties during Settlement of fund resulting from the calculation in the implementation of Bank Indonesia National Clearing System.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Article 53

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory “Repurchase agreement (repo)” means Securities trading transactions with an obligation to repurchase according to the agreed price and period.

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Article 54

Paragraph (1)

Automatic RTGS FLI means the value of Securities repurchased by a Sistem BI-RTGS Participating Bank is directly used to cover fund insufficiency in Fund Settlement Account.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Article 55

Self-explanatory

Article 56

Self-explanatory

Article 57

Paragraph (1)

Self-explanatory

Paragraph (2)

Transaction data and/or Settlement result data may differ among others due to technical failure and/or data communication network failure.

Article 58

Paragraph (1)

Self-explanatory

Paragraph (2)

Letter a

“Operational day” means days determined by the Operator as the days of Sistem BI-ETP operational.

Letter b

“Operational hour” means hours determined by the Operator as Sistem BI-ETP operational implementation time.

Paragraph (3)

Letter a

“Operational day” means days determined by the Operator as BI-SSSS and Sistem BI-RTGS operational implementation time.

Letter b

“Operational hour” means hours determined by the Operator as BI-SSSS and Sistem BI-RTGS operational implementation time on each operational day.

Letter c

‘Activity time period’ means a time period determined by the Operator to conduct transactional activities in the implementation of BI-SSSS and Sistem BI-RTGS, such as the time period of fund Settlement instruction delivery for the customer's interest, the time period of Settlement instruction delivery for Securities for the Participant's interest.

Paragraph (4)

Self-explanatory

Paragraph (5)

Operational hour change results from, among others:

- a. Unforeseeable Condition and/or Emergency Condition in the Operator's location;
- b. delay in Settlement of calculated fund in the implementation of scheduled fund transfer and clearing; and/or
- c. any other reasons to maintain smooth payment system.

Paragraph (6)

Reasons for time period extension by any Participants among others are Unforeseeable Condition and/or Emergency Condition in the Participant's location.

Paragraph (7)

Self-explanatory

Article 59

Paragraph (1)

The types of costs in the implementation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS among others are Settlement instruction delivery cost, activity time period extension cost, system use cost in the Operator's location, and administrative message cost.

Paragraph (2)

“Exempt costs in the implementation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS” means to exempt certain costs in the event of Abnormal Conditions and/or Emergencies.

Paragraph (3)

Self-explanatory

Article 60

Paragraph (1)

Maximum cost limit charged by a Participant to a customer is determined to protect the customer using Sistem BI-RTGS.

Paragraph (2)

Self-explanatory

Paragraph (3)

Announcement of the cost amount to the public for protection of customers as Sistem BI-RTGS users is made among others on the website of Bank Indonesia.

Paragraph (4)

Self-explanatory

Article 61

Self-explanatory

Article 62

Self-explanatory

Article 63

Paragraph (1)

Self-explanatory

Paragraph (2)

Direct monitoring is made through periodic or occasional (onsite *visit*) when necessary to a Participant's location.

Indirect monitoring is made through analysis and evaluation of reports submitted by the Participant to the Operator, data and/or information obtained by the Operator from the Participant, any other party, and data and/or information available with the Operator.

Paragraph (3)

Self-explanatory

Paragraph (4)

Infrastructure test is one of the means to ensure main and back-up infrastructures used by the Participant are functioning properly.

Paragraph (5)

Self-explanatory

Article 64

Self-explanatory

Article 65

Paragraph (1)

“Other parties” mean parties with expertise among others in system development for the implementation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS, data communication network, and information technology audit.

Paragraph (2)

Other parties that must keep the confidentiality of information and data are all commissioners, directors, advisors, supervisors, and other supporting staffs related to monitoring implementation.

Paragraph (3)

Self-explanatory

Article 66

Self-explanatory

Article 67

Self-explanatory

Article 68

Self-explanatory

Article 69

Self-explanatory

Article 70

Self-explanatory

Article 71

Self-explanatory

Article 72

“1 (one) monitoring period” means one cycle of activities in the monitoring process of Participant's compliance.

Article 73

Self-explanatory

Article 74

Self-explanatory

Article 75

Self-explanatory

Article 76

Self-explanatory

Article 77

Self-explanatory

Article 78

Self-explanatory

Article 79

Self-explanatory

Article 80

Self-explanatory

Article 81

Self-explanatory

SUPPLEMENT TO STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER
5762

SUMMARY

Regulation : Bank Indonesia Regulation No. 17/ /PBI/2015 on Implementation of Transactions, Administration of Securities, and Real-Time Fund settlement

Enforcement Date :

I. Background

The backgrounds of this Regulation issuance among others are:

1. To improve the implementation of Sistem BI-RTGS and BI-SSSS to increase efficiency and capability in risk mitigation by applying Principles for Financial Market Infrastructures (PFMI) issued by the Committee on Payments and Financial Market Infrastructures and the International Organization of Securities Commissions (CPMI-IOSCO).
2. To strengthen the infrastructure of payment system and financial system implemented by Bank Indonesia through implementation of Bank Indonesia-Electronic Trading Platform System (Sistem BI-ETP) integrated with Bank Indonesia-Scripless Securities Settlement System (BI-SSSS), and Bank Indonesia-Real Time Gross Settlement System (Sistem BI-RTGS).
3. To improve regulations on the obligations and responsibilities of transferring Participants in forwarding fund transfer instructions through Sistem BI-RTGS and the obligations and responsibilities of beneficiary Participants to transfer fund to their customers to improve the protection for customers using Sistem BI-RTGS.

To provide comprehensive legal grounds in the implementation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS, Bank Indonesia issues Bank Indonesia Regulation No.

17/18/PBI/15 on Implementation of Transactions, Administration of Securities, and Real-Time Fund settlement.

II. Regulation Materials

1. Transactions, Administration of Securities, and Real-Time Fund settlement are implemented through 3 (three) systems, namely Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS.
2. Regulation principles on Sistem BI-ETP implementation among others are as follows:
 - a. Sistem BI-ETP is an infrastructure used as means of electronic transactions.
 - b. Transactions through Sistem BI-ETP consist of:
 - 1) Transaction with Bank Indonesia means any transactions made by Bank Indonesia for monetary operations, sharia monetary operations, and/or transactions of SBN for and on behalf of the Government, as well as other transactions with Bank Indonesia.
 - 2) Financial Market Transaction means any transactions of Securities and lending in a conventional manner or equalized under sharia principles for money market transactions and/or Securities transactions on secondary markets.
 - c. The Operator of Sistem BI-ETP is Bank Indonesia c.q. Monetary Management Department.
 - d. Parties which may become Sistem BI-ETP Participants are Bank Indonesia, Ministry of Finance, Deposit Insurance Corporation, Banks, rupiah and foreign exchange market brokers, security companies, and other institutions approved by the Operator.

3. Regulation principles on BI-SSSS implementation among others are:
 - a. BI-SSSS is an infrastructure used as a means to administer Transactions with Bank Indonesia, Financial Market Transactions, and Securities made in an electronic manner.
 - b. Administration of BI-SSSS means any activities including recording of ownership, clearing and settlements, and coupon/interest payments, and principal/nominal payments of the yields of Securities transactions and those of non-Securities transactions.
 - c. The Operator of BI-SSSS is Bank Indonesia c.q. Payment System Implementation Department.
 - d. Parties which may become BI-SSSS Participants are Bank Indonesia, Ministry of Finance, Banks, deposit and settlement institutions, security companies, and other institutions approved by the Operator.
4. Regulation principles on Sistem BI-RTGS implementation among others are:
 - a. Sistem BI-RTGS is an infrastructure used as a means of electronic fund transfers whose settlements are made real time per individual transaction.
 - b. The Operator of BI-SSSS is Bank Indonesia c.q. Payment System Implementation Department.
 - c. Parties which may become Sistem BI-RTGS Participants are Bank Indonesia, Banks, clearing and/or settlement operators, and other institutions approved by the Operator.
 - d. To improve protection for customers using Sistem BI-RTGS, the following among others are specified:
 - 1) determine the maximum limit of transaction cost charged by a Participant to a customer;

- 2) a transferring Participant obligation to send fund Settlement instruction no later than 1 (one) hour as from the transferring Participant accepts fund transfer instructions from a customer.
 - 3) a beneficiary Participant must transfer fund to a customer as soon as practicable or no later than 1 (one) hour as from the fund Settlement instruction is received by such beneficiary Participant.
- e. To mitigate risks in Sistem BI-RTGS implementation, Sistem BI-RTGS provides facilities to manage liquidity risks and credit risks for Sistem BI-RTGS Participants.
5. Bank Indonesia determines administrative sanctions in the form of (i) written admonition; (ii) payment obligation; and/or (iii) participation status decline if a Participant fails to meet the provisions in this Regulation.
6. Some provisions in this Regulation will be enforced in 2016 as follows:
 - a. mandatory periodic report submission by Participants and sanctions for failing to make such submission start to take effect for reports in 2016.
 - b. provisions for sanctions to pay resulting from the following breaches:
 - 1) time limit of fund Settlement instruction delivery by a transferring Participant to a beneficiary Participant;
 - 2) time limit of fund transfer by a beneficiary Participant to a beneficiary customer; and
 - c. The provisions for maximum limit charged by a Participant to a customer in Sistem BI-RTGS implementation start to take effect as from 1 July 2016.

FREQUENTLY ASKED QUESTIONS

Bank Indonesia Regulation No. 17/ /PBI/2015 date

on Implementation of Transactions, Administration of Securities, and Real-Time Fund
settlement

Q. What are the grounds for this Regulation issuance?

A. The grounds for this Regulation issuance are as follows:

1. To improve the implementation of Sistem BI-RTGS and BI-SSSS to increase efficiency and capability in risk mitigation by applying Principles for Financial Market Infrastructures (PFMI) issued by the Committee on Payments and Financial Market Infrastructures and the International Organization of Securities Commissions (CPMI-IOSCO).
2. To strengthen the infrastructure of payment system and financial system implemented by Bank Indonesia through implementation of Bank Indonesia-Electronic Trading Platform System (Sistem BI-ETP) integrated with Bank Indonesia-Scripless Securities Settlement System (BI-SSSS), and Bank Indonesia—Real Time Gross Settlement System (Sistem BI-RTGS).
3. To improve regulations on the obligations and responsibilities of transferring Participants in forwarding fund transfer instruction through Sistem BI-RTGS and the obligations and responsibilities of beneficiary Participants to transfer fund to their customers to improve the protection for customers using Sistem BI-RTGS.

Q. What is the scope of regulation material of this Regulation?

A. This Regulation serves as the legal basis for Bank Indonesia in the implementation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS. Regulation materials in this Regulation among others include:

1. Operator;

2. Participant and Participation Status;
3. Participant Obligations;
4. Implementation of Sistem BI-ETP, BI-SSSS, and Sistem BI-RTGS;
5. Operational Time;
6. Cost;
7. Mitigation of Abnormal Conditions and/or Emergencies;
8. Exemption from Operator's Responsibilities;
9. Participant Compliance Monitoring;
10. Miscellaneous Provisions; and
11. Sanctions.

Q. What are new points in this Regulation related to BI-SSSS and Sistem BI-RTGS?

A. New points in this Regulation among others are:

1. Regulation on Sistem BI-ETP implementation.
2. Fund settlement through Sistem BI-RTGS, which previously may only be made in rupiah, may also be made in foreign currencies. It aims to accommodate transactions in foreign currencies, such as Foreign Exchange SUN on primary market by the Government,
3. Improvement of provisions for protection to customers using Sistem BI-RTGS among others are:
 - a. determine the maximum limit of transaction cost charged by a Participant to a customer;
 - b. a beneficiary Participant must transfer fund to a beneficiary customer no later than 1 (one) hour as from the fund Settlement instruction is received by such beneficiary Participant.

4. Parties, which may become a Sub-Registry are Bank Indonesia as Bank Indonesia-Sripless Securities Settlement System (BI-SSSS) Participant, perform administration of securities functions for the customer's interest.

Q. When will this Regulation start to take effect?

A. This Regulation will start to take effect on , except provisions for sanctions for any breach of:

1. time limit of fund Settlement instruction delivery to a transferring Sistem BI-RTGS Participant;
2. time limit of fund transfer to a transferring customer

will start to take effect as from 1 January 2016.